



City of San Diego  
COUNCILMEMBER DAVID ALVAREZ  
Eighth District

MEMORANDUM

DATE: December 30, 2010

TO: Council President Anthony Young

FROM: Councilmember David Alvarez, Chairman of the Committee on Natural Resources and Culture

SUBJECT: Committee on Natural Resources and Culture 90-Day Action Plan Summary

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I have begun to reach out to my colleagues on the Council, the Mayor's Office, City staff, and other stakeholders to solicit their input on the Committee on Natural Resources and Culture's action plan. My hope is to complete this process quickly and have the action plan fully drafted by the end of January 2011. That said, as requested in your memorandum on December 22, 2010, below is a summary of my initial top three priorities for the Committee.

*Promoting Water Conservation*

Even in the middle of a very wet winter, the future availability of water remains a critical issue for our city and region. We shouldn't wait for the next drought to start working on a better way to promote water conservation in San Diego. While much work is ongoing and remains to be done to identify additional water supplies, San Diego has a huge opportunity to reduce the need for additional supply by more effectively managing demand.

The City must do more to promote water conservation and our most powerful tool is the price mechanism. It is difficult to convince residents and businesses to make significant investments of time and money to conserve water if they will not realize a significant reduction in their water bill as a result. While there are many practical and legal restrictions on the City's freedom to alter water rates, my hope is that the City Council and the Mayor can reach consensus on a new rate structure that rewards San Diegans who conserve with a lower water bill. Additionally, we should explore the possibility of targeting conservation rebates and investment incentives

towards low income households. Many low income residents of San Diego would want to invest in water efficient appliances and fixtures (such as washing machines or low flow toilets) but cannot afford to do so.

#### *Flood Protection and Environmental Preservation*

In addition to augmenting our water reservoirs, the recent wet weather has brought flooding in neighborhoods from Mission Valley to Logan Heights. The cost of flooding is great both in terms of economic losses and in suffering, and serves as a reminder that the City's obligation to maintain an effective and environmentally sensitive storm water system must not be taken lightly. In addition to receiving informational briefings from staff on flood emergency response planning and performance, we also need to explore long-term watershed management strategies. I don't believe that flood control and environmental protection are mutually exclusive. I am confident we can develop watershed management strategies that minimize the risk flooding poses to residents and businesses while preserving vital wetland and riparian habitat.

#### *Promoting Energy Efficiency and Renewable Energy*

The City has made great strides in promoting energy efficiency and renewable energy but more remains to be done. We should seek out additional opportunities to promote energy efficiency and renewable energy projects at City facilities. Also, we should explore additional policy options to promote private investment in renewable energy and energy efficiency projects. This is particularly important given that programs that finance residential solar through property tax assessments, such as the one developed by Mayor Sanders, are in limbo because of decisions made by Fannie Mae, Freddie Mac, and the Federal Housing Finance Agency. My hope is that the Committee on Natural Resources and Culture can work with the Mayor's office, City staff and other stakeholders to overcome these obstacles and develop policies that enhance energy efficiency and renewable energy throughout San Diego.



## COUNCILMEMBER CARL DEMaIO

FIFTH DISTRICT  
CITY OF SAN DIEGO

### MEMORANDUM

DATE: January 4, 2011  
TO: Councilmember David Alvarez  
FROM: Councilmember Carl DeMaio *Carl DeMaio*  
RE: 2011 Natural Resources & Culture (NR&C) Priorities

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In response to your memorandum of December 16, 2010, I am submitting my 2011 priorities for the NR&C committee.

#### Oversight of Water Rates

Water rates in the City of San Diego continue to increase, despite the opportunities available to lower the City's Public Utilities Department (PUD) operating costs. Labor costs, specifically the cost of fringe benefits, in the PUD must be reformed before asking working families in San Diego to pay increased costs for water.

In addition to considering operating cost reform opportunities in the PUD, the NR&C committee should follow-up on the fulfillment of the promises made to ratepayers in exchange for a significant rate increase in 2007 (see attachment). NR&C should also conduct hearings on any proposals that surface related to the highly flawed "Bid-to-Goal" bonus program, which demands additional reform at the very least, if not complete elimination.

NR&C should also increase the levels of communication with City representatives on the Boards of the San Diego County Water Authority (CWA) and the Metropolitan Water District of Southern California (MWD). NR&C should stay apprised of the efforts of these representatives to reduce costs at these water wholesalers to the benefit of ratepayers.

#### Renewable Energy in San Diego

I believe that the City of San Diego has the opportunity to become a leader in renewable energy, not only in the operations of its own facilities, but also in the private sector

2011 NR&C Priorities  
January 4, 2011  
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through the solar industry, water conservation and supply and the clean tech cluster of San Diego's economy.

I believe that the NR&C committee should consider actions and strategies that the City of San Diego can pursue to achieve these goals related to renewable energy.

A focus on these two areas represents my priorities for the NR&C committee in the coming year.

cc: City Councilmembers  
Andrea Tevlin, Independent Budget Analyst

Attachment: February 15, 2007 Water Rate Fact Sheet



FOR IMMEDIATE RELEASE

February 15, 2007

## **FACT SHEET**

# **MAYOR SANDERS DETAILS PLAN TO SAFEGUARD WATER AND WASTEWATER RATEPAYER FUNDS**

## **INDEPENDENT OVERSIGHT, OUTSIDE AUDITS AND SAVINGS FUND INCLUDED AS MAYOR'S FULFILLS PROMISE TO THE PUBLIC**

### **SAFEGUARD PLAN OFFERED IN ADVANCE OF COUNCIL VOTE ON CRITICAL NEW RATES**

Mayor Jerry Sanders has announced the details of his plan to install safeguards for protecting the ratepayer funds used by the City's water and wastewater systems. The safeguard proposal was delivered to the City Council in fulfillment of the Mayor's pledge to detail the new protections in advance of the Council's February 26 vote on rate increases for both systems.

The Mayor's safeguard plan includes five specific elements:

- Creation of a new **Independent Rates Oversight Committee**
- Installation of a "**Dedicated Reserve from Efficiencies and Savings**" to help offset future rate increases in both systems.
- Annual **financial audits** for both systems
- Annual **performance audits** for both systems beginning in 2008
- **Limiting future "Bid-to-goal" contracts** with City employees to one year

### **INDEPENDENT RATES OVERSIGHT COMMITTEE WILL ADDRESS COMMUNITY CONCERNS**

Under the Mayor's plan, the City will form a new Independent Rates Oversight Committee (IROC) charged with reviewing and analyzing finances and efficiency measures in both systems.

The IROC will advise the City regarding budgets, project priorities and financial management of the Water and Metropolitan Wastewater Departments.

The new 11 member Committee will include ratepayer representatives and professional experts in the finance, accounting, legal and auditing industries. Members will be nominated by the Mayor and confirmed by the City Council. The IROC will meet every other month at a minimum and more often if deemed necessary by the chair of the Committee. It will replace the current Public Utilities Advisory Committee and will continue to conduct public meetings to gather input from ratepayers and other stakeholders interested in the City's water and wastewater systems.

The IROC will advise the City on the selection of the independent firms that will conduct annual financial and performance audits recommended by the Mayor. The IROC will also provide advice regarding the scope of the audits and about addressing any recommendation coming through the audit process.

#### **Independent Rates Oversight Committee Membership Categories:**

Each candidate for appointment to the IROC should possess substantial experience and/or be a member of the classes and professions listed below. A good faith effort will be made to maintain a diverse committee with membership including as many of the following categories and ratepayer classes at any one time.

Single Family Residential Ratepayer	Finance/Municipal Finance
Multi-Family Residential Ratepayer	Legal
Commercial/Industrial Ratepayer	Construction Management
Temporary Irrigation/Construction Ratepayer	Engineering
Auditing/Accounting	Environmental
Science	

#### **NEW FUND WILL HOLD SAVINGS COMING FROM EFFICIENCIES AND CHANGING PRIORITIES**

At the Mayor's direction, the City's Chief Financial Officer has created a "Dedicated Reserve from Efficiencies and Savings" (DRES) that will be used to protect and preserve savings found by increasing efficiencies, changing priorities or other actions related to reducing costs of the Capital Improvement Program (CIP) or operations and maintenance of either system.

The DRES will track funds that can be used for accelerating CIP project schedules, creating further efficiencies or other actions that will help to offset the need for any future rate increases in these systems. At the end of each fiscal year, any savings not required to comply with established policies or legal documents will be transferred into the DRES. At the end of four years, any funds transferred into the DRES and not used for capital improvements will be used to lower future rates necessary for the water and wastewater systems.

Under the Mayor's safeguard plan, the IROC will review cost saving measures undertaken in each department and will recommend the deposits to be made to the DRES. The IROC will

review the recommendations coming from both the financial or performance audits and will make its own recommendations regarding how to implement cost saving measures found through those efforts.

#### **AUDITS WILL TRACK FINANCES IN BOTH SYSTEMS**

At the Mayor's direction, the water and wastewater systems will be audited each year for the duration of the four year rate increase schedule. The scope of the audits will focus on the use of ratepayer funds and bond proceeds during those years. The Independent Rates Oversight Committee will advise the Mayor and Chief Financial Officer (CFO) about the complete scope of the annual audits and will assist the Mayor and CFO to select and retain an independent firm capable of performing the audits

#### **EFFICIENCY AND BUSINESS ROUTINES WILL BE REVIEWED IN PERFORMANCE AUDITS**

The Mayor is also requiring that the water and wastewater systems undergo performance audits to review and make recommendation regarding management practices leading to greater efficiencies and cost savings. The goal of the performance audits will be to identify methods to reduce costs in both systems and to create savings that can be deposited in the DRES.

The performance audits will begin following the first full year of operation under the new rate case (July 1, 2008).

The Independent Rates Oversight Committee will advise the Mayor on the selection of a qualified outside firm capable of conducting the performance audit. Findings from the audit will be presented to the IROC in a public meeting and will be used to assist the Mayor in implementing further management efficiencies during the course of the rate case.

#### **BID-TO-GOAL PROGRAM LIMITED IN PREPARATION FOR MANAGED COMPETITION**

To help create a level playing field for the implementation of the voter-approved managed competition plan for the City, Mayor Sanders is directing leaders in the waste and wastewater departments to limit any future bid-to-goal contracts to a one year term with subsequent one year renewal options. Bid-to-goal is a process that allows City employees to improve the efficiency of their job performance with the goal of meeting or exceeding the efficiency expected from private businesses performing similar work.

#### **MAYOR'S SAFEGUARD PLAN LINKS WITH OTHER REFORMS SET TO BENEFIT CITY**

The safeguard plan being implemented for water and wastewater rates is part of Mayor Sanders' overall effort to reform business practices and financial management at the City. The plan follows the Mayor's practice of creating honest and transparent systems that can be reviewed and accessed by stakeholders at every level and that focus on providing cost savings and improved service to City residents.




CITY OF SAN DIEGO  
COUNCILMEMBER SHERRI S. LIGHTNER  
DISTRICT ONE

MEMORANDUM

DATE: January 6, 2011 SL-1101-002

TO: Councilmember David Alvarez, Chair, Natural Resources and Culture Committee

FROM: Councilmember Sherri S. Lightner 

SUBJECT: Natural Resources and Culture Committee Priorities for 2011

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I respectfully request the following goals be included in the Natural Resources and Culture Committee (NR&C) Agenda for 2011:

1. Develop a comprehensive policy for a sustainable water supply in the City of San Diego. My memo dated December 15, 2010<sup>1</sup> contains several goals, including the development of a comprehensive tiered rate structure for the City's water customers, which should be addressed as soon as possible.
2. Develop a Plastic and Paper Grocery Bag Ordinance to reduce plastic pollution.
3. Reestablish the Golf Advisory Council so it can assist with the completion of the 5-Year Golf Business Plan update scheduled for completion in June 2011.
4. Develop a strategy for managing City-owned skate parks.
5. Establish mechanisms to continue to improve waste reduction and resource management programs in the event of the privatization of the Miramar Landfill.
6. Create a Resource Recovery Park Pilot Program<sup>2</sup>. A resource recovery park is a new development in recycling. In its broadest sense, it is the colocation of reuse, recycling, compost processing, manufacturing, and retail businesses in a central facility.
7. Develop enforcement policies and funding mechanisms for the areas designated by the State as Marine Protected Areas under the Marine Life Protection Act.
8. Create a Coastal Regional Park which would include shoreline parks and beaches, for enhanced oversight, planning, funding and Park Ranger supervision.

<sup>1</sup> Lightner, *Developing a Comprehensive policy for a Sustainable Water Supply in San Diego*, <http://www.sandiego.gov/citycouncil/cd1/pdf/101215.pdf>

<sup>2</sup> <http://www.calrecycle.ca.gov/LGCentral/Library/Innovations/recoverypark/>



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January 6, 2011

I also respectfully request periodic updates from or about the following:

1. The Independent Rates Oversight Committee and City Representatives on the San Diego County Water Authority and the Metropolitan Water District of Southern California
2. Long Range Water Resources Plan and Urban Water Management Plan
3. Energy Efficiency and Conservation Block Grant Program expenditures
4. The 5-Year Golf Business Plan
5. La Jolla Shores and Scripps Areas of Special Biological Significance
6. San Diego (Rancho Santa Fe) Polo Club Neighborhood Code Compliance issues
7. Torrey Pines City Park General Development Plan

If you have any questions, please contact my office at (619) 236-6611.

SL:sh

cc: Honorable Mayor Jerry Sanders  
Honorable Councilmembers  
Honorable Jan Goldsmith, City Attorney  
Andrea Tevlin, Independent Budget Analyst  
Kevin Smith, NR&C Committee Consultant




CITY OF SAN DIEGO  
COUNCILMEMBER SHERRI S. LIGHTNER  
DISTRICT ONE

**MEMORANDUM**

DATE: December 15, 2010 DTID: SL1012-003

TO: Councilmember David Alvarez, Chair, Natural Resources & Culture Committee

FROM: Councilmember Sherri S. Lightner 

SUBJECT: Developing a Comprehensive Policy for a Sustainable Water Supply in San Diego

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San Diego's economy and quality of life depend on a reliable and relatively inexpensive supply of water. The City of San Diego needs to establish guiding principles through which we will ensure that our water supply remains both secure and affordable. A document of guiding principles has been useful in our work on ending the structural budget deficit, and a similar document for water will guide the City Council's deliberation on the Urban Water Management Plan, future updates to the Long-Range Water Resource Management Plan and other future water-related decisions.

The City's existing guiding principles for water can be found in a patchwork of incompatible and out-of-date Council Policies, including Council Policies 400-09, 400-11, and 400-12. We must start the process of creating a new "Comprehensive Policy for a Sustainable Water Supply in San Diego" (hereafter, "Comprehensive Water Policy") to contain our guiding principles for water and replace these outdated Council Policies.

This memo first highlights some of the limitations of our existing Council Policies regarding water. It then provides suggested components of a new "Comprehensive Water Policy." City Council should begin by discussing the proposed new policy at the Natural Resources and Culture Committee and then work with the City Attorney's office, Water Department staff, the Independent Rates Oversight Committee (IROC), stakeholder groups and the public to craft a final version of the policy. After City Council approval, the elements of this policy will serve as San Diego's guiding principles in seeking a secure water future.

## EXISTING POLICIES

The existing Council Policies related to water were all developed ten or more years ago and were adopted at different times. They contain different goals and objectives which are not always consistent.

Some of the limitations of the existing policies are as follows:

- CP 400-09, "Action Plan for City's Future Water Supply,"<sup>1</sup> does not include implementation goals, timelines, or performance measurements. The policy was made effective October 6, 1998, which was over 12 years ago.
- CP 400-11, "Action Plan for Implementation of Water Conservation Techniques,"<sup>2</sup> dated September 21, 1987, is over 23 years old. While it includes implementation goals and timelines, they include dates as early as 1983.
- CP 400-12, "Implementation of Water Reclamation/Reuse,"<sup>3</sup> contains few achievement benchmarks, is dated November 28, 1988, which was over 22 years ago, and is in conflict with parts of CP 400-09.

These three policies should be replaced by the "Comprehensive Water Policy." Additional problems with existing policies are identified in my October 1, 2009 memo entitled "Updating the City Council's Water Policies" (Attachment 1).

## COMPREHENSIVE POLICY FOR A SUSTAINABLE WATER SUPPLY IN SAN DIEGO

The following are my suggestions for the general guiding principles of the new "Comprehensive Water Policy." Principles should include:

- Cohesive elements that are financially and environmentally sound.
- Goals which reflect current water treatment, storage, distribution and usage technologies and allow the consideration of new technologies or opportunities.
- Consideration of the long-term costs of inaction, such as deferring maintenance.
- An implementation plan with timelines and performance measures defined.
- Identification of ways in which the City can collaborate with other users and agencies in order to improve efficiencies.

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<sup>1</sup> City of San Diego Council Policy 400-09 "Action Plan for City's Future Water Supply" (10/6/98).

[http://docs.sandiego.gov/councilpolicies/cpd\\_400-09.pdf](http://docs.sandiego.gov/councilpolicies/cpd_400-09.pdf)

<sup>2</sup> City of San Diego Council Policy 400-11 "Action Plan for Implementation of Water Conservation Techniques" (09/21/87).

[http://docs.sandiego.gov/councilpolicies/cpd\\_400-11.pdf](http://docs.sandiego.gov/councilpolicies/cpd_400-11.pdf)

<sup>3</sup> City of San Diego Council Policy 400-12 "Implementation of Water Reclamation/Reuse" (11/12/88).

[http://docs.sandiego.gov/councilpolicies/cpd\\_400-12.pdf](http://docs.sandiego.gov/councilpolicies/cpd_400-12.pdf)

## I. BASIC PRINCIPLES

1. **Water Quality:** The revised policy should give direction that is consistent with prior Council goals of providing potable water that meets or exceeds all health standards established by regulatory agencies. In addition, we must ensure the quality of reclaimed water by eliminating contaminants of concern, and developing additional levels of treatment, as needed.
2. **Local Economy and Development:** All City Council decisions regarding water should be economically sound. An affordable and reliable water supply is needed to attract, expand, and retain businesses. The City Council must also carefully evaluate large developments that may greatly impact the City's water supplies. Proper land-use planning and increased local water supplies will allow the City to support economic growth and development.
3. **Best Available Technologies:** San Diego is home to large clusters of tech businesses. The City needs to take advantage of these industry clusters to incentivize development of innovative technologies for the treatment, storage and transport of water. This is a way to create local jobs and help provide more economical and environmentally-friendly sources of water in San Diego.
4. **Climate Change:** Planning for the effects of climate change is an important part of a new water policy. San Diego is home to the Scripps Institution of Oceanography (SIO), which is a leading research organization in the climate change field. The City should partner with SIO to develop priorities in water and wastewater infrastructure planning based on what is predicted about the future effects of climate change.
5. **Council Updates:** Prior Council policies pre-date the adoption of our current "Strong Mayor" form of government. The "Comprehensive Water Policy" should reflect the need for a feedback mechanism in the form of regular updates from the Mayor's office to the City Council. The updates should include the status of the City's current and future water supplies and the Intergovernmental Relations Department's work on Federal and State legislation related to water. The City Council (or a select Council committee) should also receive bi-annual updates from the City's representatives on the Metropolitan Water District of Southern California (MWD) and the San Diego County Water Authority (CWA). Finally, the City Council (or a select Council committee) should receive bi-annual updates from IROC.

## II. CONSERVATION PRINCIPLES

Conservation is the easiest, most cost-effective way to increase the usefulness of our water supply. A new "Comprehensive Water Policy" should support an approach to conservation that contains the following guiding principles:

1. **Rate Structures:** The City should move to a tiered rate structure. Multi-class, tiered rates that encourage conservation and discourage waste should be implemented as a

market-based conservation measure. The multi-class structure should include the following categories: single-family residential, multi-family residential, commercial, industrial, institutional, irrigation, and agricultural. The rate structure should take into account geographic zones with different evapotranspiration rates, the parcel size and the number of residents for a given customer. This new rate structure should consider economic impacts to all customers and should account for the needs of our private sector businesses, including the tech and hospitality industries. This is an important area for public participation.

2. **Economic Incentives:** The City should provide local customers with economic incentives to save water and limit wastewater going into the sewer system and through the Point Loma Treatment Plant. Economic incentives, such as rebates, should be developed for water efficient fixtures, rainwater catchment systems, graywater systems, drought tolerant landscaping, industrial pre-treatment systems and other conservation and treatment measures. The City Council should also continue to partner with MWD and CWA to develop additional incentives and rebates.
3. **Public Outreach:** The City and its partners must continue outreach to customers on the importance and value of conservation measures. In fiscal year 2010, San Diegans on average conserved 11% of their water use compared to fiscal year 2009.<sup>4</sup> A strong public outreach campaign helped surpass the Mayor's 8% conservation goal. Some customer classes conserved more than others: residential users conserved 10.7%, irrigation users conserved 20.4%, and commercial/industrial user conserved 7.5%. Public outreach on water awareness needs to stress the mutual benefit of reduction efforts and water efficient technologies and provide up-to-date information on economic incentives for all customers.
4. **Public and Private Building Codes:** Currently, Council Policy 900-14<sup>5</sup> guides the City in how it sustainably builds and maintains City facilities. CP 900-14 should be referenced in the "Comprehensive Water Policy." Additionally, private sector building policies should include water conservation elements. Emphasis on Leadership in Energy and Environmental Design (LEED) and Low Impact Development (LID) should be included in the "Comprehensive Water Policy" and sustainable building policies.
5. **Language Reflecting Updated Water Emergency Restrictions Policy:** The San Diego Municipal Code currently establishes water emergency regulations.<sup>6</sup> The "Comprehensive Water Policy" must reflect updated conservation regulations during drought conditions.

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<sup>4</sup> City of San Diego Public Utilities Department. <http://www.sandiego.gov/publicutilities/>

<sup>5</sup> City of San Diego Council Policy 900-14 "Sustainable Building Policy" (05/18/10).  
[http://docs.sandiego.gov/councilpolicies/cpd\\_900-14.pdf](http://docs.sandiego.gov/councilpolicies/cpd_900-14.pdf)

<sup>6</sup> City of San Diego Municipal Code (67.0801-11) <http://docs.sandiego.gov/municode/MuniCodeChapter06/Ch06Art07Division38.pdf>

### III. IMPORTED WATER PRINCIPLES

1. **Sustainable Imported Water Goals:** San Diego will continue to rely on some imported water in order to maintain our economy and quality of life, but increasing cost and limited supply mean we must reduce the amount of imported water we use. Setting achievable goals in multiple year increments as to how much the City expects to rely on imported water sources should be a part of the newly updated policy. The imported water goals must reflect the reality that as we produce more local sources of potable water, we will still require some outside sources.

### IV. LOCAL & REGIONAL WATER SUPPLY PRINCIPLES

To ensure a sustainable supply of water, San Diego must develop a strategy that includes a diverse local and regional water supply portfolio.

1. **Non-Potable Recycled Water:** We should continue expansion of the non-potable recycled water (purple pipe) system in the City of San Diego. Purple pipe water should be made available to businesses, parks and golf courses that are currently using potable water for industrial and irrigation purposes. The effectiveness of the City's water recycling facilities rests solely with our ability to deliver purple pipe water to the community. Our water recycling facilities are operating at as much as 85% below capacity.<sup>7</sup> The 2000 Updated Water Reclamation Master Plan and 2005 Recycled Water Master Plan Update<sup>8</sup> called for a phased expansion of the purple pipe system, but funding has disappeared and build-out has stalled. Smaller "satellite" water recycling facilities could be used to augment the system and help deliver this resource to our communities. The City needs to continue to pursue cost-effective strategies to deliver purple pipe water. We also must identify the most affordable projects for expansion of the system in order to operate the North City and South Bay Reclamation Plants at full capacity.
2. **Indirect-Potable Reuse (IPR):** The investment in technology to treat water to potable standards has been successful as an option for the expanded use of reclaimed wastewater in other communities. IPR could comprise a portion of San Diego's local water supply in the future.
3. **Graywater:** Efforts should be made toward incentivizing and educating the public about the use of graywater collection systems. Among water reuse methods, graywater collection systems used to irrigate residential and commercial property are one of the most affordable ways to conserve potable water for landscaping use and reduce the flow of otherwise valuable water into the City's sewer systems.<sup>9</sup> The City recently updated its

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<sup>7</sup> Lee, Mike "Reclaimed Water Law is Largely Forgotten." San Diego Union Tribune. March 8, 2008.

<http://legacy.signonsandiego.com/news/metro/20080308-9999-1n8pipes.html>

<sup>8</sup> City of San Diego Recycled Water Master Plan Update. September 2005.

<http://www.sandiego.gov/water/pdf/050927waterreuse.pdf>

<sup>9</sup> "San Diego's Water Sources: Assessing The Options" Equinox Center. July 2010.

[http://www.equinoxcenter.org/assets/files/SD\\_Water\\_Sources\\_Assessing\\_the\\_Options%281%29.pdf](http://www.equinoxcenter.org/assets/files/SD_Water_Sources_Assessing_the_Options%281%29.pdf)

permitting processes for residential graywater systems. The City of San Diego should consider ways in which we can incentivize this practice and encourage the use of graywater systems in commercial and residential settings. Consideration should be made to require these systems in new buildings, perhaps starting with a pilot program.

4. **Rainwater Collection:** Residential and commercial rainwater collection should be included in the "Comprehensive Water Policy". Other jurisdictions have policies and incentives to encourage rainwater collection systems. One 1,000 square foot roof can yield 600 gallons of harvested water from one inch of rainfall.<sup>10</sup> The City of San Diego should consider ways in which we can incentivize this practice and encourage the use of rainwater collection systems in commercial and residential settings. Consideration should be made to require these systems in new developments, perhaps starting with a pilot program.
5. **Seawater Desalination:** The City should support cost-effective, environmentally-friendly desalination projects to assist in creating a sustainable local water supply. The process is proven safe and effective. Energy and production costs and environmental impacts are being reduced as technology improves. San Diego's tech and maritime industries could partner with the City to develop innovative technologies that produce desalinated water with less energy and less impact to the marine environment. We should also partner with neighboring jurisdictions, including Mexico, to make future seawater desalination facilities regional assets.
6. **Brackish Groundwater Desalination:** The City's San Pasqual<sup>11</sup> and Mission Valley<sup>12</sup> Brackish Water Desalination Projects, for which studies are currently underway, are two additional sources of local water that could be added to our portfolio. City estimates show that we could sustainably produce 7,800 to 9,800 acre-feet per year of potable water with these two projects. We should follow the planning studies carefully and if successful, support implementation of these projects as soon as possible.
7. **Increase Storm Water Diversion to Above and Below Ground Storage:** We should develop ways to divert a higher percentage of storm water to local reservoirs for collection. Storm water leaving the City into the Pacific Ocean has costs in the form of regulatory permits, potential for violations and water that could potentially be used by customers. The City Council should continue to adhere to (and possibly exceed) Council Policy 400-04, "Emergency Storage of Water" benchmarks. The "Comprehensive Water Policy" should also include ways for the City to improve storm water transport into groundwater supplies, where feasible. The City's Water and Storm Water Departments should collaborate to identify LID projects for storm water diversion.

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<sup>10</sup> "Rainwater Harvesting Supply From the Sky" City of Albuquerque Publication. September 1998.

<http://www.ose.state.nm.us/water-info/conservation/Albq-brochures/rainwater-harvesting.pdf>

<sup>11</sup> San Pasqual Basin Brackish Groundwater Desalination Project. <http://www.sandiego.gov/water/pdf/supply/pasqualdesal.pdf>

<sup>12</sup> Mission Valley Basin Brackish Groundwater Desalination Project. <http://www.sandiego.gov/water/pdf/supply/mvbasin.pdf>

This will save water, prevent pollutants from entering storm water channels and help replenish groundwater basins.

8. **Groundwater Development:** The "Comprehensive Water Policy" should support programs to recharge and improve the yield from local groundwater basins. We should also seek regionally integrated solutions with neighboring water agencies. For example, the Borrego Water District, facing overdraft of its large groundwater basin, continues to seek new solutions for basin recharge involving partnerships with adjacent agencies for banking water supplies.
9. **Increase Local Storage Capacity:** We should support the construction of regional storage reservoirs or enlargement of existing reservoirs to augment our local storage capacity.

## CONCLUSION

Facing future water shortages and rate increases due to our nearly 90% imported water supply,<sup>13</sup> the City must have a consistent, comprehensive and up-to-date policy to guide our decision-making. In tandem, we need to maintain an open dialogue on potential implementation of new and emerging technologies that may assist us in providing San Diegans with a reliable water supply. One "panacea" that will solve all of our water problems does not exist. City Council can develop a "Comprehensive Water Policy" which contains focused guiding principles that will help us to achieve a sustainable water future in the City of San Diego.

Thank you for your consideration, and please contact my office with any questions.

Attachment

cc: Honorable Mayor  
Honorable Councilmembers  
Honorable City Attorney  
Andrea Tevlin, Independent Budget Analyst  
Roger Bailey, Director, Public Utilities  
Independent Rates Oversight Committee members

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<sup>13</sup> City of San Diego Water Reuse Study March 2006 (pp. v)  
<http://www.sandiego.gov/water/waterreuse/waterreusesstudy/news/fd2006.shtml>



# Attachment 1



CITY OF SAN DIEGO  
COUNCILMEMBER SHERRI S. LIGHTNER  
DISTRICT ONE

MEMORANDUM

DATE: October 1, 2009

TO: Honorable Jerry Sanders, Mayor  
Honorable Jan Goldsmith, City Attorney  
Honorable Donna Frye, Chair, Natural Resources & Culture Committee  
Honorable Todd Gloria, Chair, Land Use & Housing Committee  
Honorable Ben Hueso, Chair, Rules, Open Government & Intergovernmental Relations Committee

FROM: Councilmember Sherri S. Lightner

A handwritten signature in black ink, reading "Sherri S. Lightner".

SUBJECT: Updating the City Council's Water Policies

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I have reviewed the San Diego City Council water policies and have reached three distressful conclusions.

1. The policies are outdated and do not work together to form a comprehensive water plan that can sustain San Diego's economy and quality of life.
2. The policies are silent regarding gray water reuse and nonpotable (purple pipe) water, including the use and exchange of purple pipe credits for land development. Furthermore, there is no mechanism for tracking the amount of purple pipe water allocated to existing or proposed projects throughout the city.
3. The City might incur legal liability for approving development projects without a nonpotable water policy and tracking system.

Attachment 1 to this memo contains a summary of council policies which mention water. Many were enacted over 30 years ago. A large number of these policies need to be updated. The table in the attachment indicates suggested actions for each of the Council Policies. A time and cost estimate for the updating is requested. None of these policies address the use of water credits or exchanges, or the tracking of purple pipe water.

For clarity, I want to define some terms used in this memo. Nonpotable water is water which has not approved for consumption. Purple pipe is used to transport nonpotable water, usually for irrigation, to differentiate it from regular drinking water. Gray water is non-industrial, non-toilet wastewater generated from showers, sinks, faucets and laundry.

Currently, it has been estimated that 55% of San Diego's drinking water is used for landscaping. Gray water comprises 70-80% of residential wastewater. Gray water reuse could help San Diego avoid mandatory water restrictions and help provide for sustainable development, but without a strong policy we cannot capitalize on this underutilized resource.

By California State law, every development project larger than 500 units must show it can provide enough water to meet the needs of that development for at least 20 years. Within the last few years, the City has developed a habit of approving these sorts of projects by using nonpotable/potable water exchanges. It is critical that the Council and the public understand the long term consequences of approving additional potable/nonpotable water exchanges for developers without an accounting of previous purple pipe commitments made by the City.

A number of projects have been approved or conditioned on the installation of purple pipes for irrigation and the promise to connect those pipes to the City's purple pipe system once it is accessible. These existing developments have claim to the finite amount of purple pipe water.

For example, on July 28, 2009, the City Council approved a major land development project that proposes to meet the State's water requirements by installing purple pipes at three sites outside of both the community area plan and the district in which the development will occur. This project required a community plan amendment to significantly increase the dwelling unit density for the project site and a change in use that increased the site's water use requirements. It is not clear when the mitigation (watering three school sites with nonpotable, rather than potable, water) must be completed or how the requirement will be enforced.

Since the amount of nonpotable water is finite, it is important to know how much total nonpotable water exists, how much has already been promised to existing developments, and how much is actually being used. The 2006 Kroll Report criticized San Diego for lacking financial accountability systems. Now we see that, yet in another area, there is no tracking system for nonpotable water and no financial accountability through a comprehensive water policy for meeting the water and related development needs of our community. It is imperative that the Council develop a policy to address, and be able to track, the use of purple pipe water credits and exchanges and that it develop a comprehensive plan that is able to sustain our residents, business and quality of life.

To address these concerns, and to lay the foundation for developing a comprehensive water policy for the City of San Diego, I respectfully request the following information and responses by Oct. 29, 2009.

1. The number of projects with purple pipe irrigation systems that have been approved by the City.
2. The number of projects with purple pipe irrigation systems that are connected to the City's nonpotable water distribution system and the amount of water used annually by each project.
3. The number of projects with purple pipe irrigation systems that are not yet connected to the City's nonpotable water distribution system; the amount of potable water that will be saved annually after these projects are connected; and the timeline for connecting these projects.
4. The number of dual-use projects which have been approved; which of those projects have been connected to the City's nonpotable water distribution; and the annual potable water savings for each project that has been connected to the City's nonpotable water distribution system. Additionally, for those projects that have not been connected to the nonpotable water distribution system, what are the expected annual potable water savings and the timeline for connection to the nonpotable water distribution system?

5. The number of projects approved which allowed some form of off-site nonpotable/potable water exchange, as was exemplified by the recently approved Alvarado Apartments project. Also, for each such project, the amount of potable water credited to the project and the timeline for completing the mitigation, i.e. when is potable water use to be replaced by nonpotable and how much potable water will be saved annually?

The above-requested data is necessary to develop a data base which can be used to evaluate projects that "trade" nonpotable elsewhere for potable on site.

6. By approving a project conditioned on the installation of purple pipes for irrigation and the promise to connect those pipes to the City's purple pipe system, is the City guaranteeing a certain amount of potable water for the site?
7. If permits are conditioned on the use of purple pipe water and there is none available, should the project be denied until nonpotable water is available? Or, alternatively, should the permit be granted without the purple pipe condition?
8. In the case of projects approved or conditioned on the installation of purple pipes for irrigation and the promise to connect those pipes to the City's purple pipe system, what is the City's plan for connecting such developments to the purple pipe system? Is the purple pipe distribution system network planned, and if so, what would it take to implement construction?

I also request an opinion from the City Attorney on this question:

1. Could the City of San Diego be held legally liable for approving development projects that involve purple pipe water in some way, without having a nonpotable water policy and tracking system?

The City should not continue approving development project after development project without reasonable and measurable assurance that water supplies will be able to support San Diego's economy and quality of life. The City Council must update its policies, and the Municipal Code may also need updating, so that San Diego has a comprehensive, legally sufficient, interrelated system of water policies that promote long term planning, sustainability, oversight and accountability.

SL:jm

cc: Honorable Councilmembers  
Bill Anderson, Director, City Planning and Community Investment  
Kelly Broughton, Director, Development Services  
Jay Goldstone, Chief Operating Officer  
Andrea Tevlin, Independent Budget Analyst

## Attachment 1

COUNCIL POLICY	DATE	TITLE	PURPOSE	QUESTIONS OR SUGGESTED ACTION
000-19	10/2/2000	Legislative Policy Guidelines ~ 2000-2001	"Legislative Policy Guidelines provide policy direction to City Departments and IRD in evaluating State and Federal proposed legislation and in preparing a timely response which sets forth the support or opposition of the City to this legislation."	Update the CP -- especially Policy IV. B 3. Water Supply
400-01	11/14/1974	Service of Water Outside of Political Boundaries	Identifies specific instances for which the City will provide water outside of its political boundaries -- otherwise because of the need to conserve water at all times, the City will not.	Review for current applicability.
400-02	2/27/1995	Biosolids Beneficial Uses	"to express the City's commitment to a diversified biosolids management program that recognizes that biosolids are a resource suitable for beneficial use" -- This is to be implemented through the <u>Biosolids Beneficial Use Plan</u> .	Does the <u>Biosolids Beneficial Use Plan</u> exist? Does it need to be updated?
400-03	12/15/2008	Self-sustaining Reservoir Recreation Program	"The General Fund will reimburse the Water Department Enterprise Fund for all costs associated with basic levels of public access, community usage and related grounds and facility maintenance (Tier I). Fees will offset direct costs of Tier II and III activities.	How much money does the General Fund reimburse the Water Department Enterprise Fund and what fees are collected for the Reservoir Recreation Program?
400-04	12/27/1973	Emergency Storage of Water	"To provide a minimum quantity of stored, untreated water to provide for emergencies such as aqueduct failure or aqueduct pump stations outage." This is set at 0.6 of the annual requirement for the City of San Diego.	Query to MWD -- do we meet the goal?
400-06	5/2/1974	Replacement, betterment and expansion of water and sewer facilities in previously developed areas	"to provide for an equitable and expeditious means for financing the betterment and expansion of water and sewer facilities in previously developed areas of the City."	

## Attachment 1

COUNCIL POLICY	DATE	TITLE	PURPOSE	QUESTIONS OR SUGGESTED ACTION
400-07	11/10/1970	Reimbursement Financing of Water and Sewer Facilities In Undeveloped Areas	"It is in the City's interest to provide for an equitable formula whereby water and sewer facilities serving undeveloped lands may be paid for entirely by developers of such lands; and whereby the developer constructing oversized or off-site water and sewer facilities may be reimbursed by those subsequently benefiting from any portion of such facilities."	This should be reviewed and updated, if needed.
400-09	10/06/1998	Action Plan for City's Future Water Supply	"To establish policies to assure an adequate water supply for the City of San Diego." This includes policies categorized as: <ul style="list-style-type: none"> <li>• General</li> <li>• Related to water importation, conservation, surface runoff and groundwater development</li> <li>• Related to reclamation, re-use and desalination</li> </ul>	Update to assure reflects current objectives and use to update CP 000-19
400-10	3/11/1985	Claims related to Water Main Break and Sewer Backups	"To provide uniformity in the investigation and disposition of claims related to water main breaks and sewer backups."	What is the history of implementation and should any policy changes be considered?
400-11	9/21/1987	Action Plan for Implementation of Water Conservation Techniques	"To establish policies which assure that effective City water conservation techniques are identified and implemented."	Update to reflect requirements in SDMC
400-12	11/28/1988	Implementation of Water Reclamation/Reuse	"To establish policies to encourage water reclamation/reuse." The City Council is to: <ul style="list-style-type: none"> <li>• Prepare a Reclamation Facilities Master Plan</li> <li>• Target Goals for Water Reclamation and Reuse</li> <li>• Draft a Mandatory Use Ordinance</li> <li>• Require a Mandatory Water Quality Management Plan</li> </ul>	Implement: <ul style="list-style-type: none"> <li>• Is there a Master Plan?</li> <li>• Reuse 70,000 AF/yr min</li> <li>• C.1, C.2, C.3</li> <li>• D.2</li> <li>• F</li> </ul>

## Attachment 1

COUNCIL POLICY	DATE	TITLE	PURPOSE	QUESTIONS OR SUGGESTED ACTION
600-04	3/19/1990	Standards for Rights of Way and Improvements Installed Therein	Prescribes the general standards for improvements installed in the ROW. Specifically the easements required for the placement of water and sewer pipes and drainage. Refers to the "Drainage Design Manual."	Is the Drainage Design Manual current and is this policy up to date?
600-21	11/25/1993	Subdivision Agreements	"To establish a uniform policy and criteria for the appropriate actions on subdivision agreements which may be any of the following...: (I) Time extension, (II) Agreement amendment, (III) Legal default, (IV) Subdivision map revocation, or (V) Rezoning of property."	Update to include impact of amount of water to be used – especially for rezoning.
600-28	8/11/1980	Requirements for Development Approval in Planned Urbanizing Areas	"To specify the requirements for approval and financing of development in the Planned Urbanizing Area of the City in accordance with the <u>Progress Guide and General Plan</u> , "Guidelines for Future Development."	Are there any "Planned Urbanizing Zones" and where are they? Update policy or eliminate.
600-30	10/26/1993	General Plan Amendments to Shift Land from Future Urbanizing to Planned Urbanizing Area	"To specify the guidelines and requirements for effecting a shift of land from the Future Urbanizing to the Planned Urbanizing in accordance with the progress Guide and General Plan. This policy applies to all such shifts of land prior to the General Plan Amendment."	Are there any "Future Urbanizing" zones to shift? If so, where are they? Update to reflect changes since 1990 or eliminate. Include provisions for potable and nonpotable water use.
600-37	6/6/1989	Development Agreements	"To address and clarify the current [1989] issues concerning development agreements and provide guidelines" for when development agreements are appropriate and to broaden the categories of projects that can be included in the agreements.	Update to include, as a minimum the appropriate section of the SDMC referenced by the CP, and water use planning/costs

## Attachment 1

COUNCIL POLICY	DATE	TITLE	PURPOSE	QUESTIONS OR SUGGESTED ACTION
600-44	5/14/2002	Placement of Wire Communications in Sewer and Storm Water Pipes	"to establish criteria for the installation of wire communications within the City sewer and storm water pipes which safeguard public health and safety while recognizing the advantages of such installations over trenching of City streets."	How many of such installations are there?
600-45	6/27/2005	Protection of Water, Agricultural, Biological and Cultural Resources within the San Pasqual Valley	"to ensure the long-term protection of the significant water resources within the San Pasqual Valley" "...This Council Policy will reinforce the goals of both the General Plan and the San Pasqual Valley Community Plan, which identify the San Pasqual Valley as an agricultural preserve with significant open space values."	Why do the Plans need this CP and do other open space areas require this as well?  e.g. Otay River Valley, San Diego River Valley, Mission Trails, Los Penasquitos Canyon, San Dieguito River Valley
800-04	7/25/1978	Drainage Facilities	1. "To establish guidelines for the construction and maintenance of storm water drainage facilities. 2. To identify and assign general financial responsibilities for the construction of various types of drainage facilities."	Why is zoning discussed in the CP?

## Attachment 1

COUNCIL POLICY	DATE	TITLE	PURPOSE	QUESTIONS OR SUGGESTED ACTION
800-14	5/30/2008	Prioritizing CIP [Capital Improvement Projects] Projects	"To establish an objective process for ranking CIP projects." Sets up guidelines for the evaluation of projects. "In order to implement a prioritization system, there must be an understanding of the constraints associated with each project's funding source(s), asset type (project category), or phase of development. Projects will not compete across the different funding sources, the different project categories, or the different project phases."	How is this CIP prioritization methodology working?
900-01	6/15/1992	Economic Development	"To provide the framework for a comprehensive economic development program which encourages sustainable economic prosperity throughout San Diego." A part of this Council Policy is to "Provide for a comprehensive Economic Development Program and Strategic Plan which promotes and sustains a healthy diversified economy throughout San Diego."	There is to be an annual review and a biennial submittal of the Economic Development Strategic Plan. Has this been done and where are these plans and their reviews?
900-12	5/15/2001	Business and Industry Incentive Program	"To provide for a Business and Industry Incentive Program designed to attract and retain major revenue, job generating, and revitalization projects throughout the City, along with criteria and procedures to ensure that the Program is equitably and efficiently administered."	City Attorney opinion re: Water and sewer capacity charges on page 2
900-14	5/20/2003	Sustainable Building Policy	"The purpose of this policy is to reassert the City's commitment to green building practices in City facilities, and to provide leadership and guidance in promoting, facilitating, and instituting such practices in the community."	Update so that private sector incentives are only for projects that meet sustainability goals – including those of water use





**COUNCILMEMBER LORIE ZAPF**  
**COUNCIL DISTRICT SIX**

**M E M O R A N D U M**

**DATE:** January 18, 2010  
**TO:** Councilmember David Alvarez  
Chair, Natural Resources and Culture Committee  
**FROM:** Councilmember Lorie Zapf *Lori Zapf*  
**SUBJECT:** Natural Resources and Culture Committee Priorities for 2011

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It is an honor to serve on the Natural Resources and Culture Committee for the upcoming year, and I look forward to working with my colleagues on this committee to proactively protect San Diego's natural resources and promote a richer cultural experience for all San Diegans.

Some items I would like to see on the calendar for the Natural Resources and Culture Committee are as follows:

- I would like to request information on the status of the City's storm drain system to establish priorities and a means of addressing problems arising from decades of deferred maintenance on storm drains.
- In recognition of the City's budget deficit and the effect this has on funding for arts programs, I would like to request a meeting with the Arts Commission to examine how the City can better partner with private donors and non-profit organizations to keep public art an important and visible part of living in San Diego.
- The recent flooding that greatly affected Mission Valley and necessitated a declaration of a state of emergency in the City of San Diego has made it clear that measures must be taken to mediate some of the heavily overgrown brush along the San Diego River. Understanding the sensitive nature of the ecosystem along the river, the situation has become such that it is a fire danger and contributes to flooding because of the inability for water to flow freely. I would like to look at ways to address this situation.

I look forward to working with my colleagues on this committee and on the Council to create a better quality of life for all San Diegans.

**Cc:** City Councilmembers  
Honorable Mayor Jerry Sanders  
Andrea Tevlin, Independent Budget Analyst  
Jan Goldsmith, City Attorney



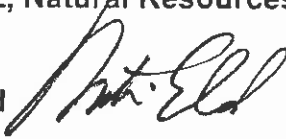
City Of San Diego  
COUNCILMEMBER MARTI EMERALD  
DISTRICT SEVEN

MEMORANDUM

REF: M-11-01-02

DATE: January 6, 2011

TO: Councilmember David Alvarez, Natural Resources and Culture Committee

FROM: Councilmember Marti Emerald 

SUBJECT: 2011 Natural Resources and Culture Committee Priorities

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This memo is in response to your memo dated December 16, 2010 regarding 2011 Natural Resources and Culture Committee (NR&C) Priorities. I had the pleasure of serving on NR&C for the past two years and would like to submit my priorities for the upcoming year as follows:

1. Status Update from the Storm Water Department on the City's Mater Storm Water System Maintenance program EIR.
2. Status Update from the Environmental Services Department on the Miramar Landfill Privatization RFQ.
3. Continue the monthly updates on Indirect Potable Reuse/Reservoir Augmentation Demonstration Project and Conservation/Water Use Restrictions from the Public Utilities Department.
4. Update from the Public Utilities Department on the potential implementation of water budget based billing and alternative rate structures.
5. Update the Committee on the programs and funding allocations for the Energy Efficiency and Conservation Block Grants (EECBG).

ME: mw

cc: Honorable Mayor Sanders  
Andrea Tevlin, IBA